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Real Estate Economists, Appraisers and Counselors

CONSTRUCTION EMPLOYMENT MAINTAINS HIGH LEVEL

NATIONAL indicators of the level of employment and unemployment are watched very closely. They show what dollar figures of business activity may not show -- whether everyone who wants a job has one. They get beneath the subterfuge of mere price changes. On the following pages we have charted employment figures in the construction industry by metropolitan areas. These charts provide a useful guide to the level of total construction activity each month in each area. Other statistics show the total number of residential construction starts, but few show total construction activity by metropolitan areas, as these figures do. In most cities construction employment has remained at the same high level as last year.

The charts are not seasonally adjusted, and thus show fluctuations in cities with wide differences in the weather during the year. For example, many cities show large drops in contract construction employment during March 1960. These drops are due to severe snow storms that occurred in many northern cities this year.

Some cities, such as Kansas City, show differences in employment that are due to unusual local conditions. In the case of Kansas City, a strike of construction workers caused the depressed level of employment during the middle of the year. Other cities show sharp changes in employment that may not even exist. The employment data for 1959 and 1960 for the following cities changed because of a change in the definition of the metropolitan areas: Albany; Baltimore; Charleston, West Virginia; Dallas; Dayton; Fort Worth; Seattle; Syracuse; Tulsa; Wheeling; and Youngstown.

These statistics have been collected by the Bureau of Labor Statistics and are for contract construction employment only. They include persons employed by firms engaged in the construction business that work on a contract basis for others. They do not include construction workers employed by the Government or by firms engaged primarily in other production. Although contract construction employment accounts for only 60 percent of the total number of workers engaged in construction activity, it is a good indicator of total construction activity.

(cont. on page 584)

CONSTRUCTION EMPLOYMENT IN SELECTED AREAS

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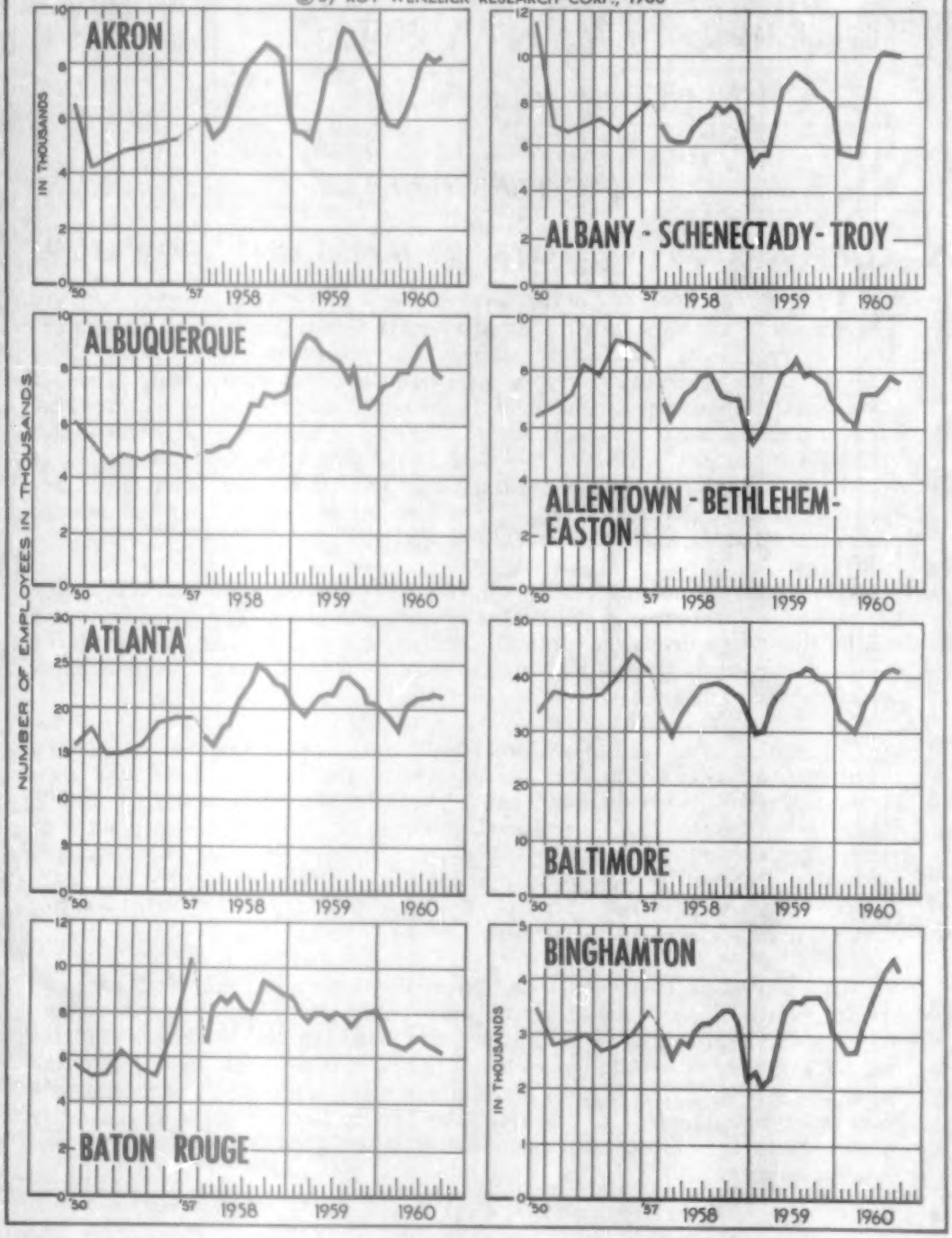

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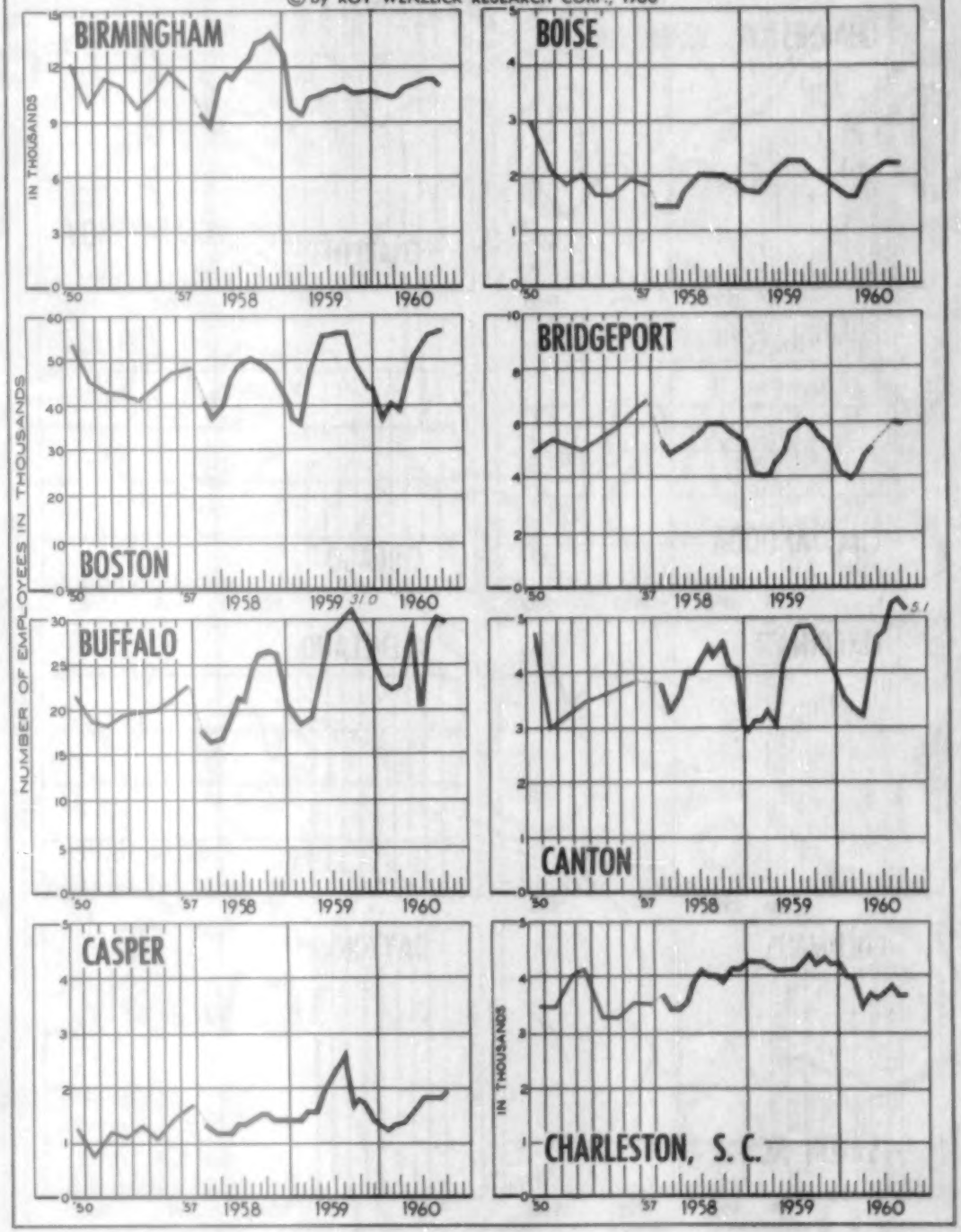

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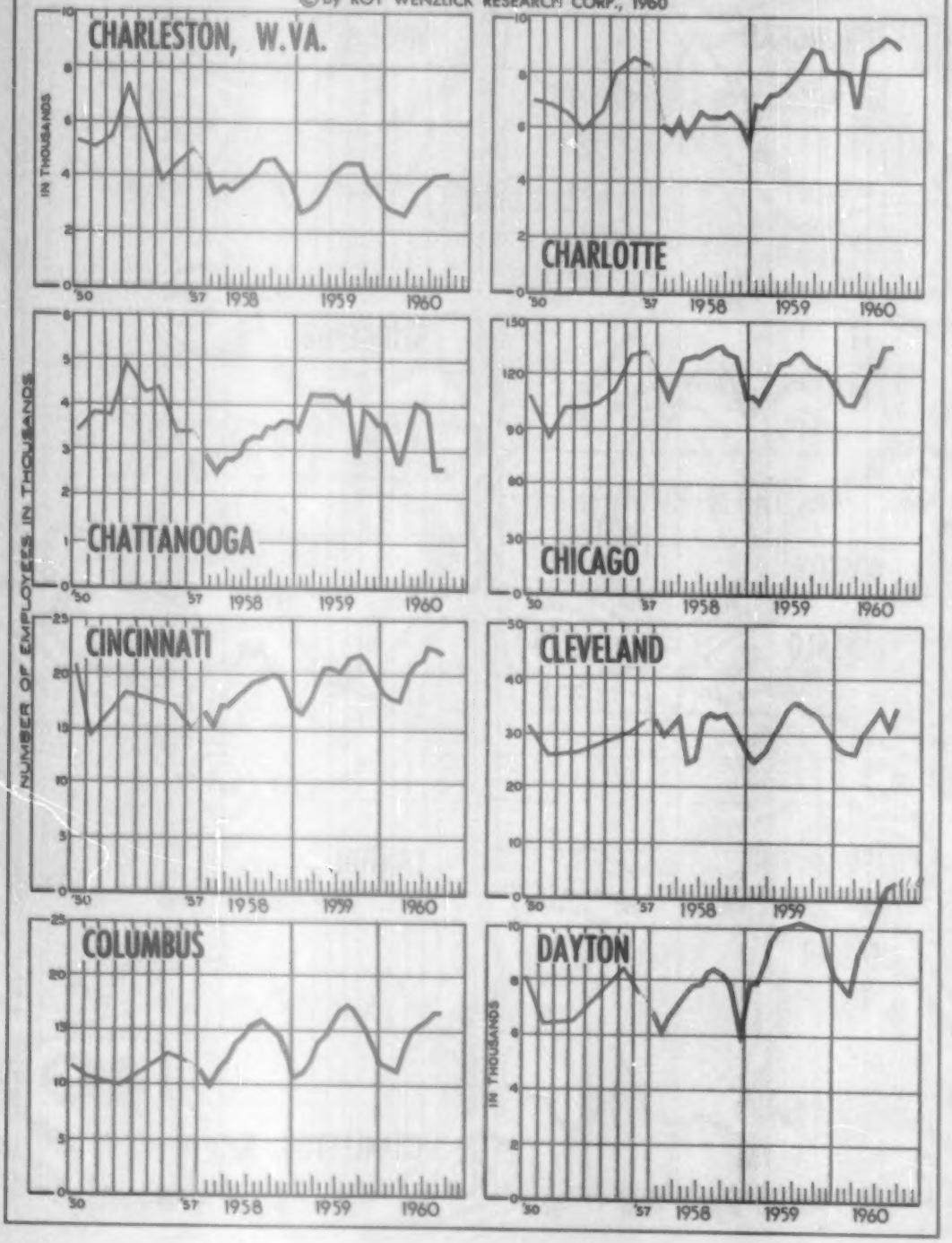

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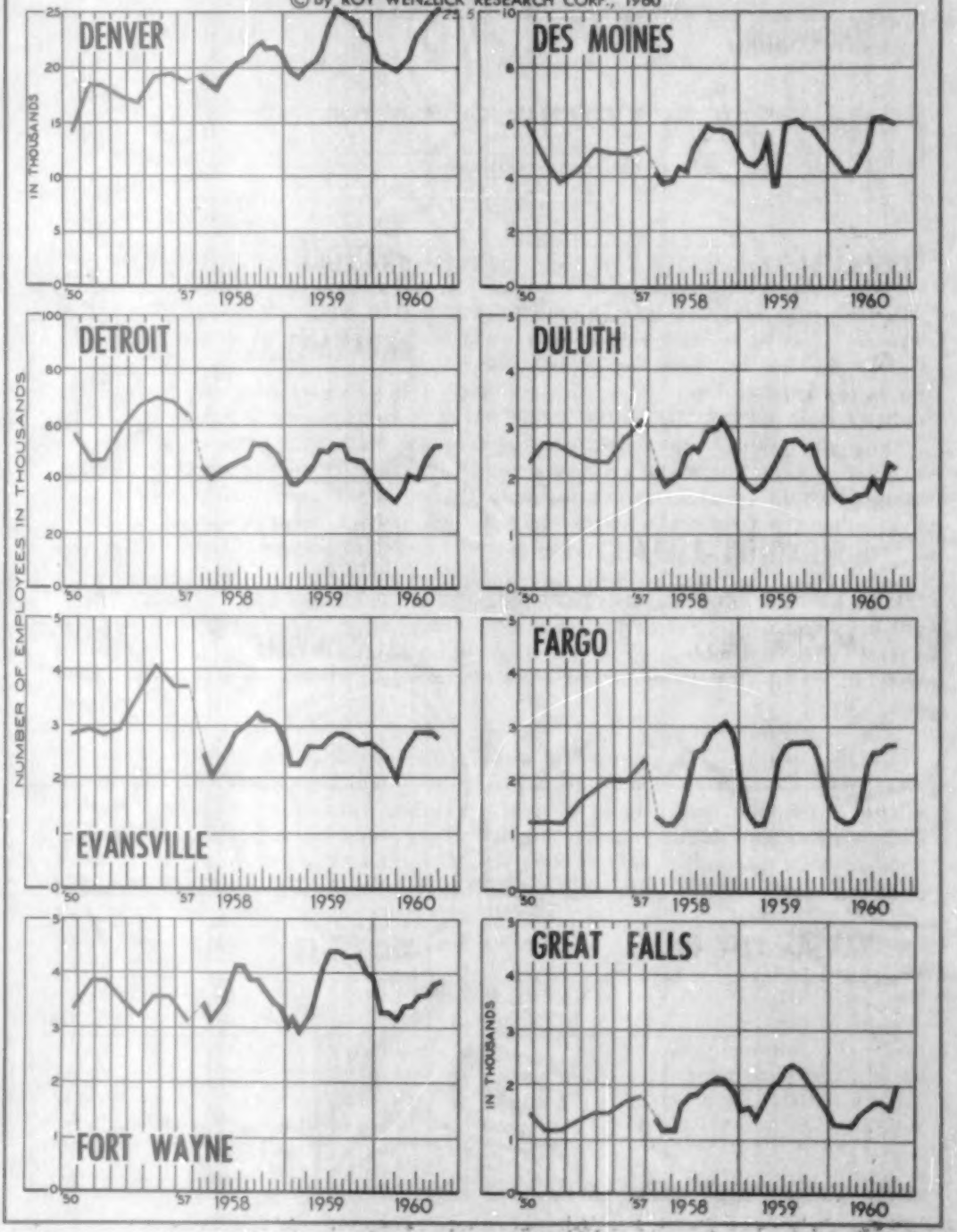

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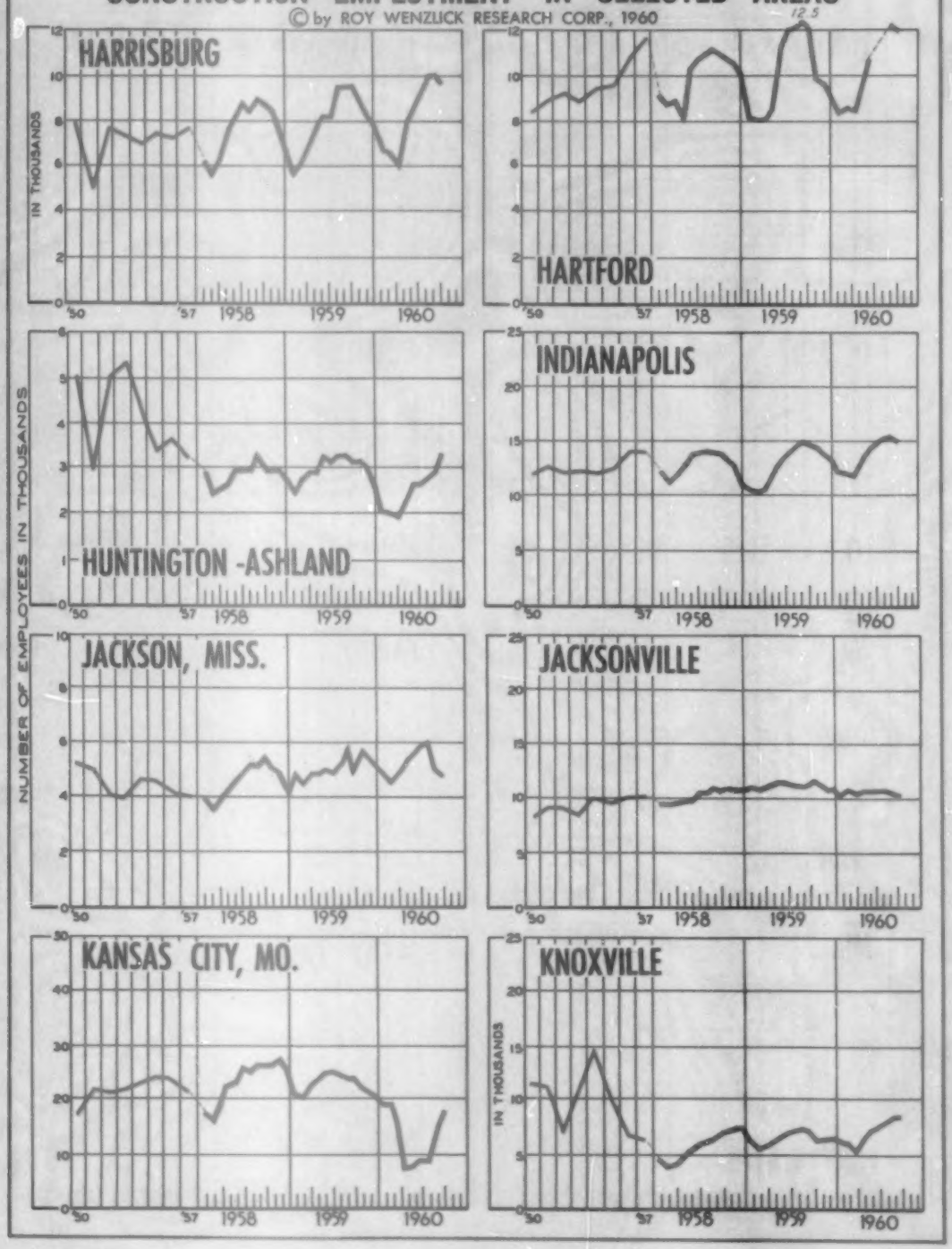

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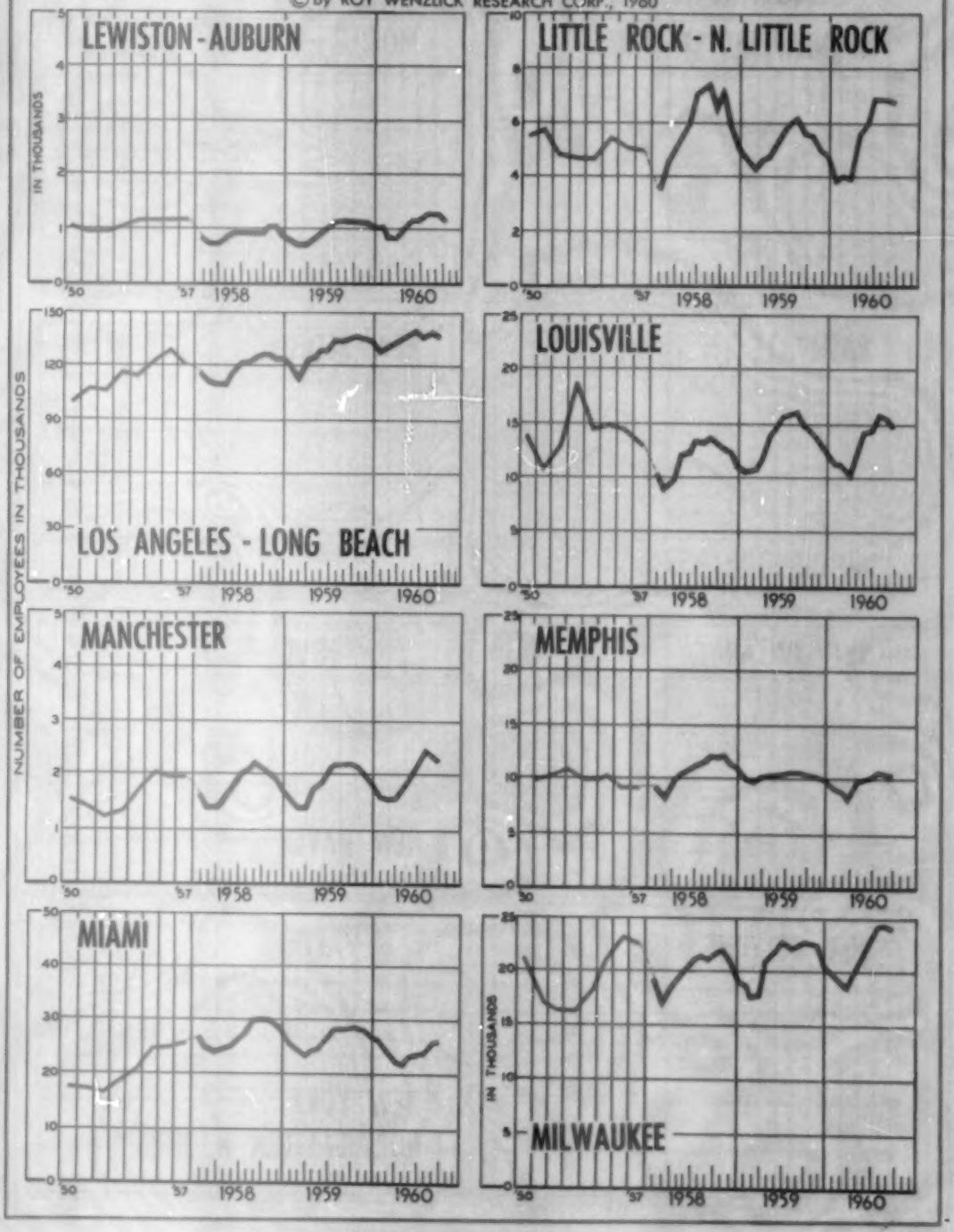

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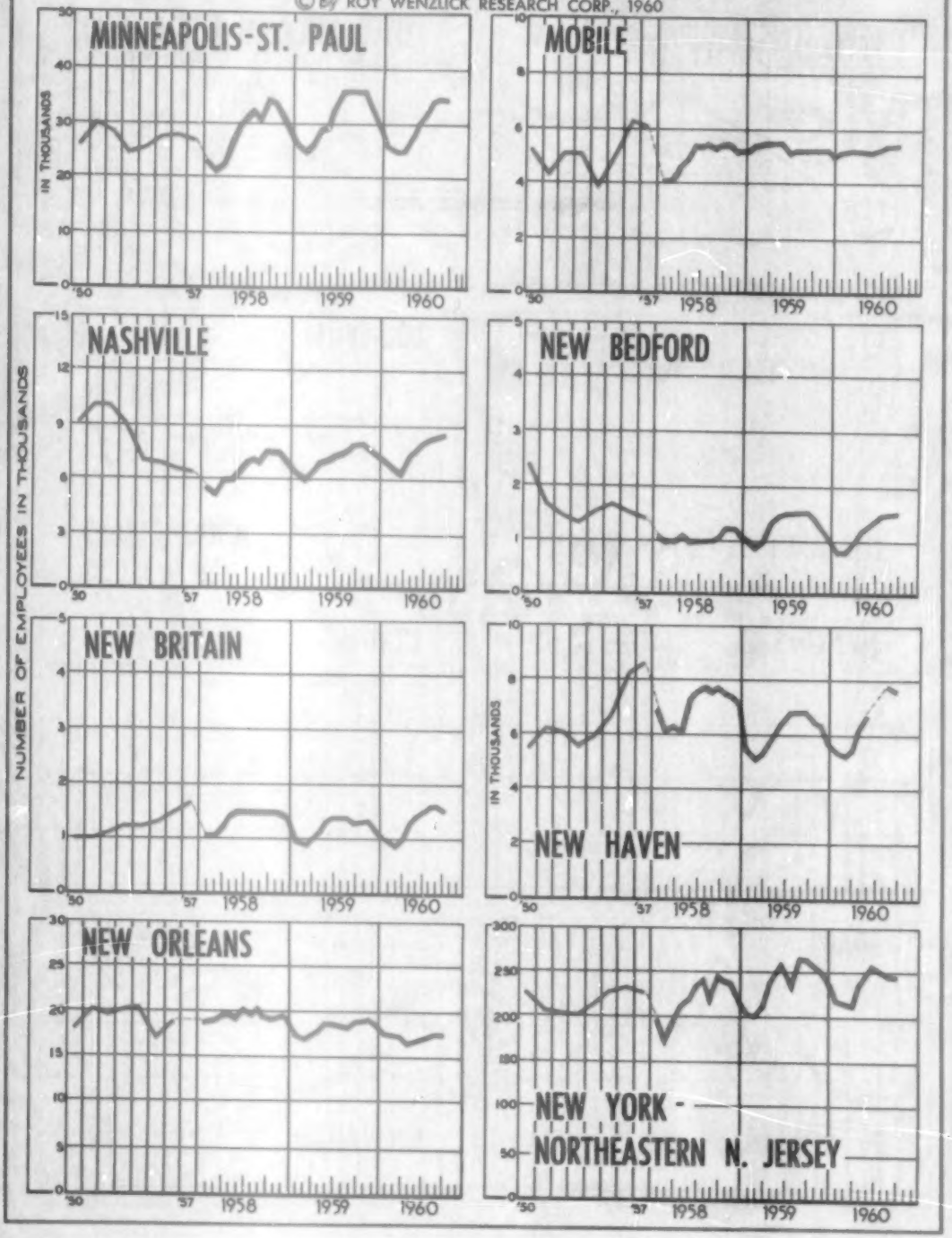

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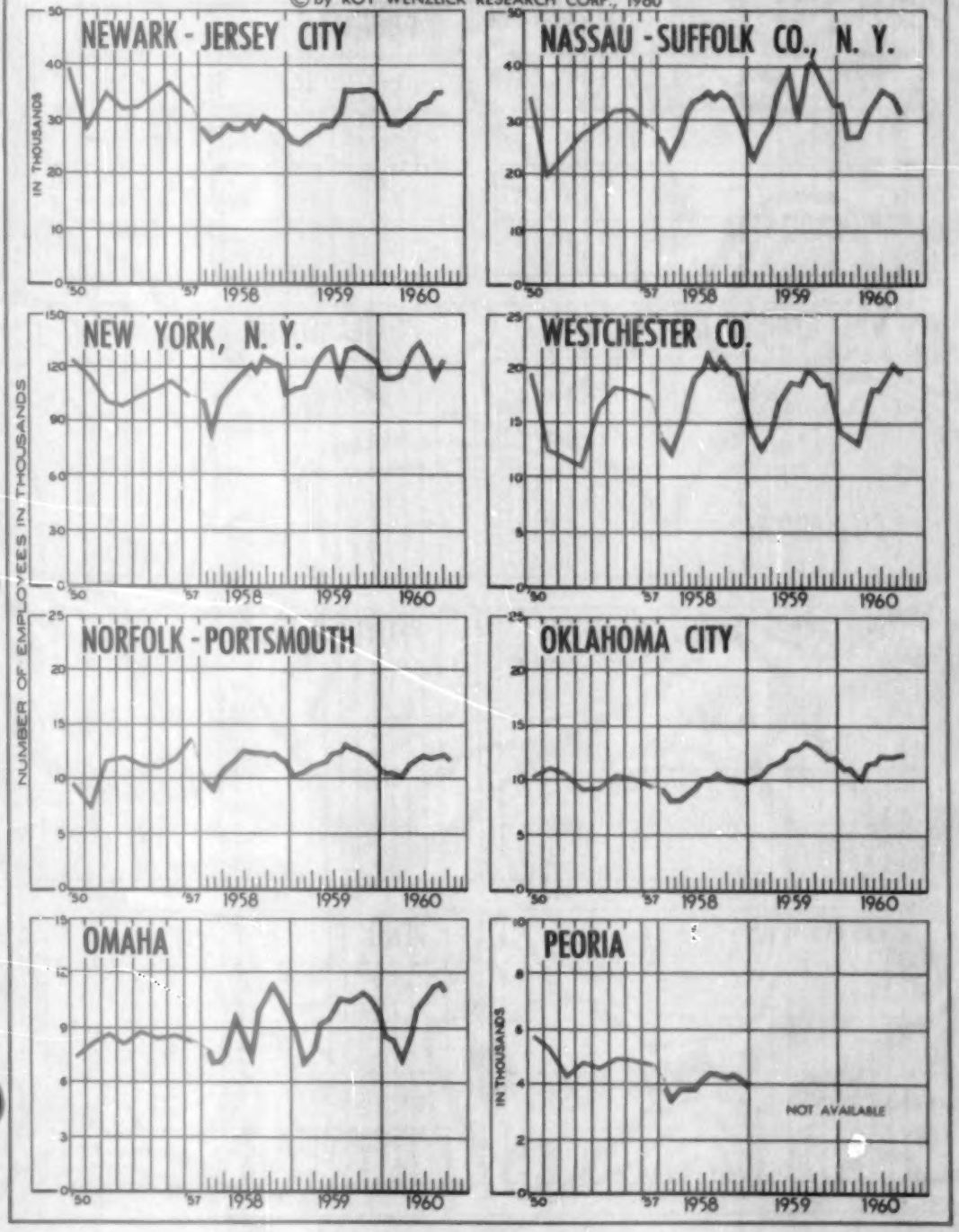

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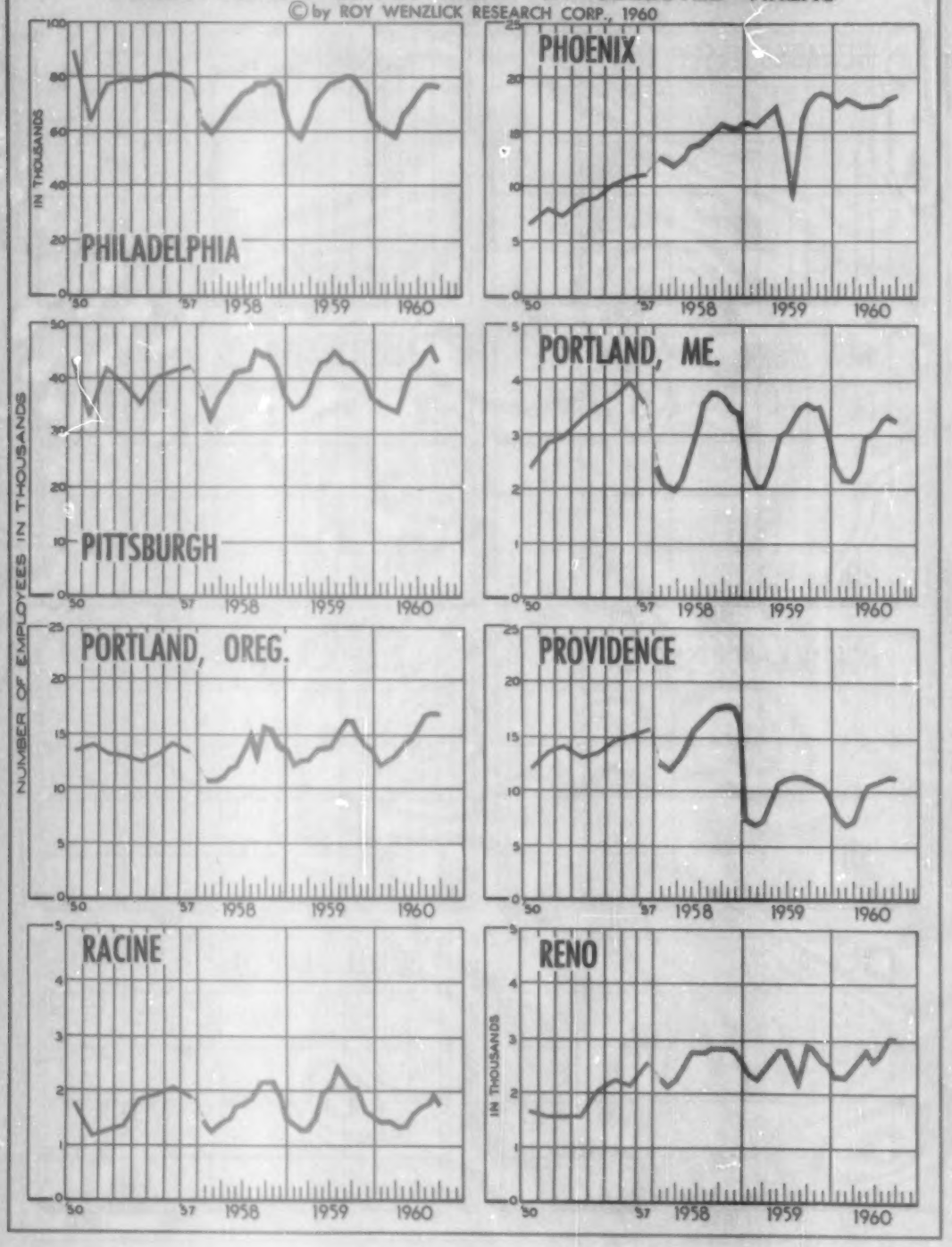

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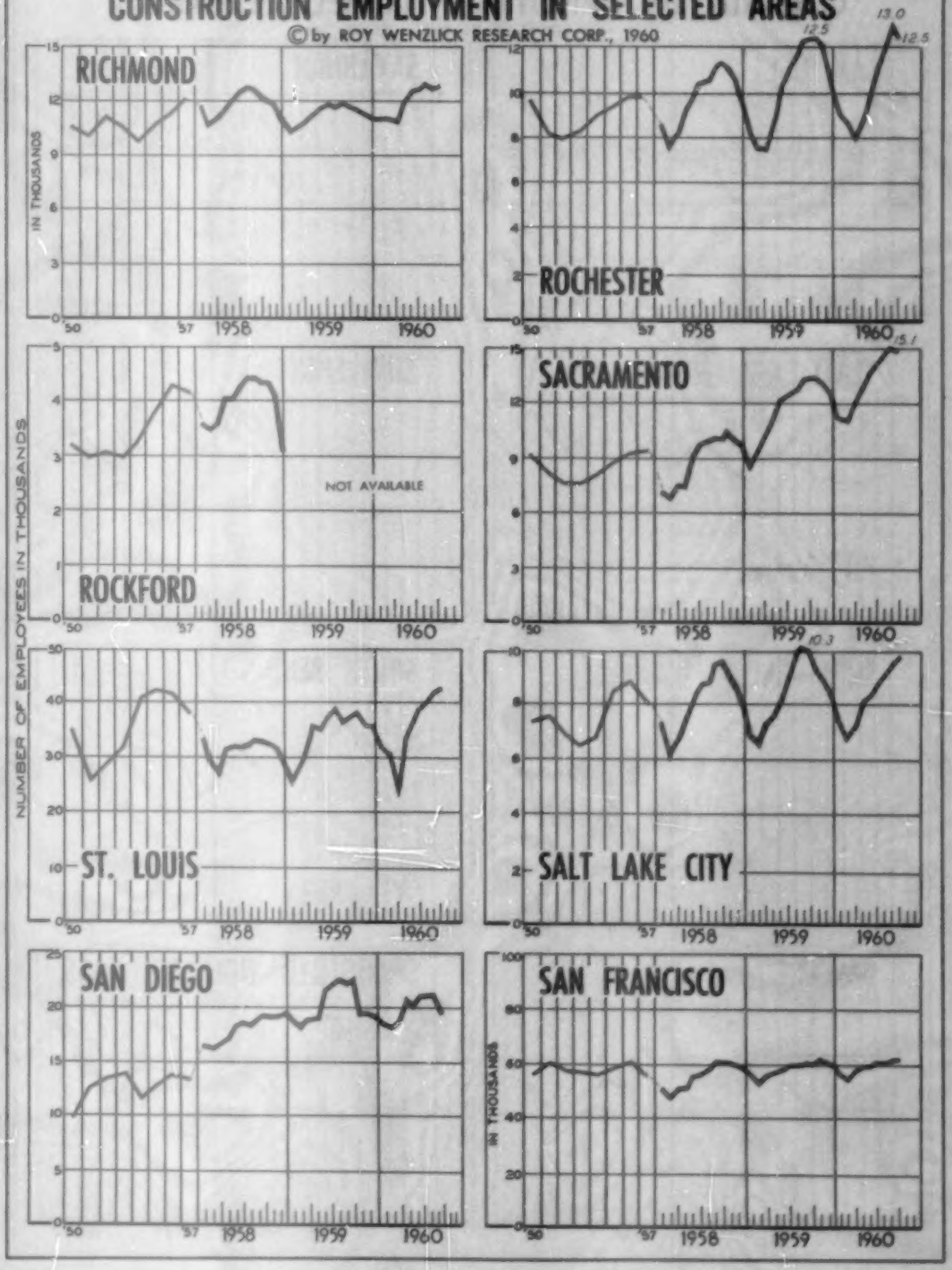

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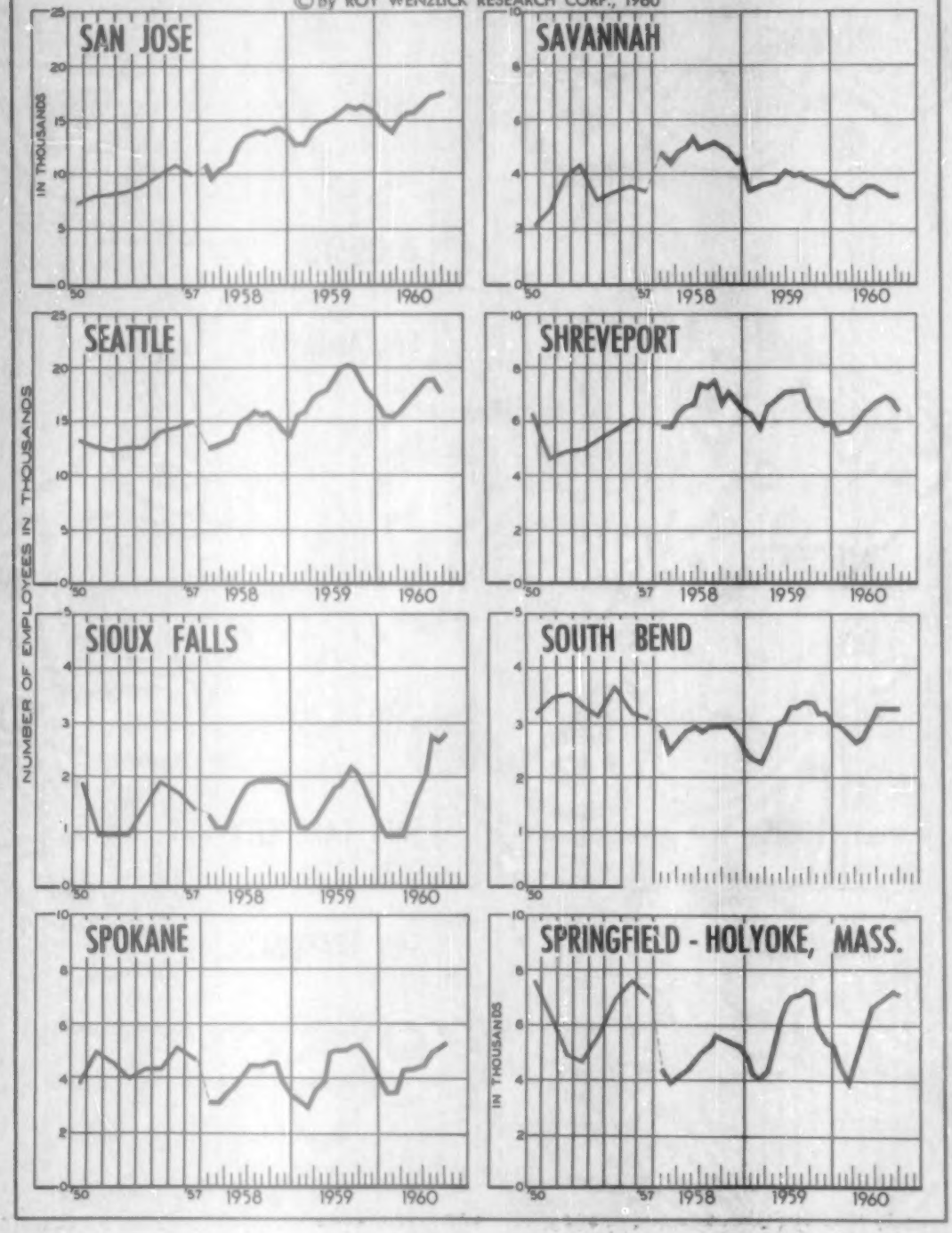

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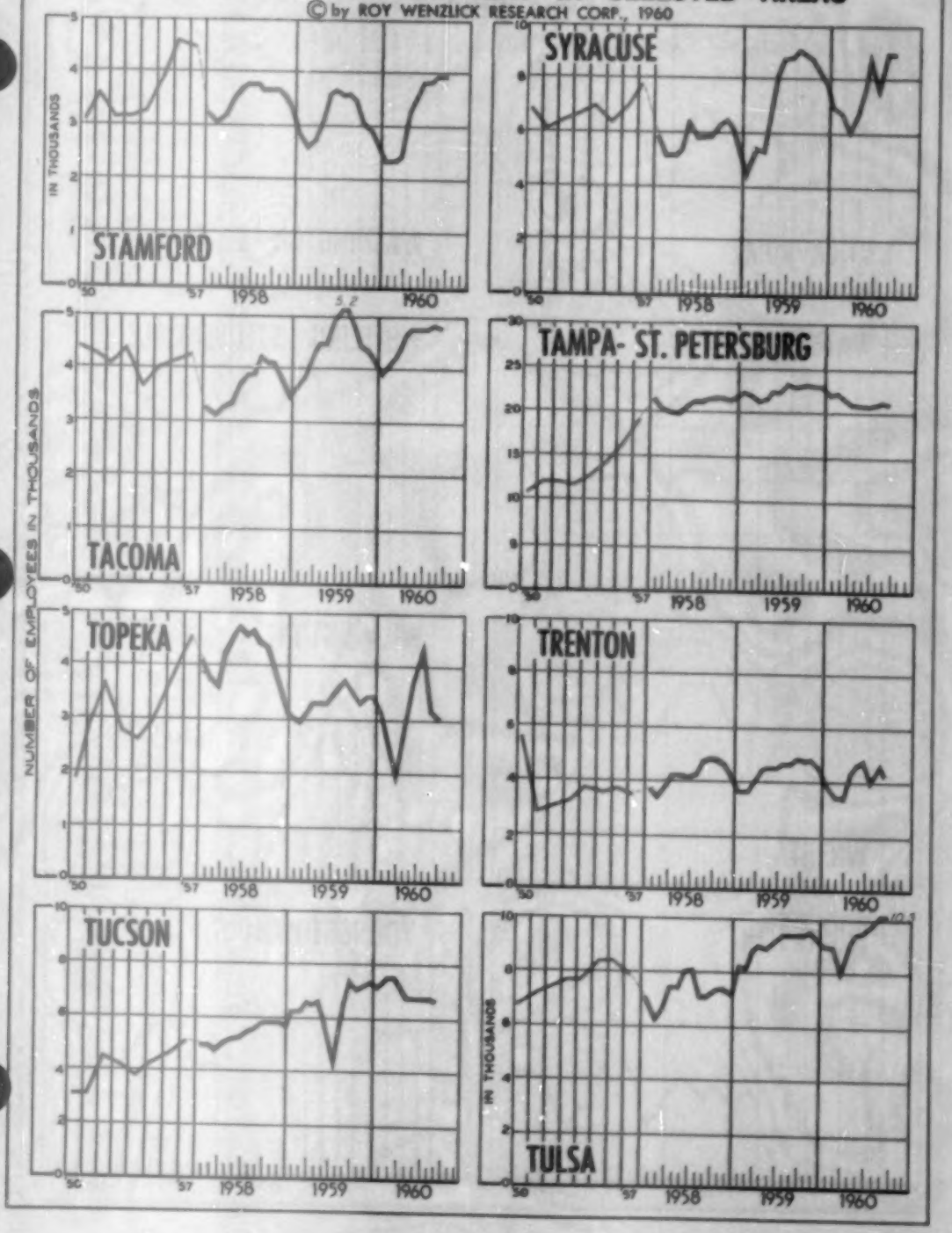

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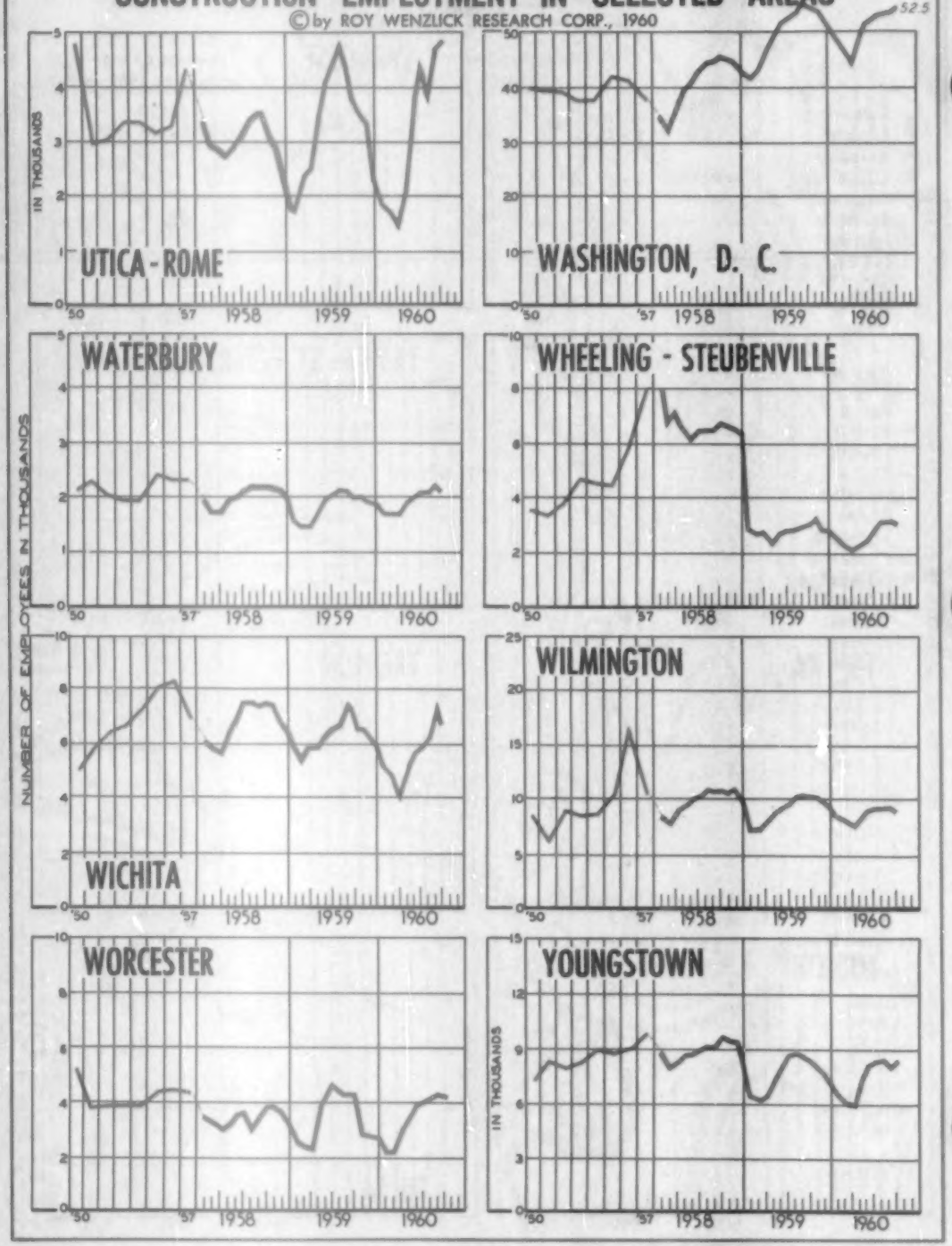
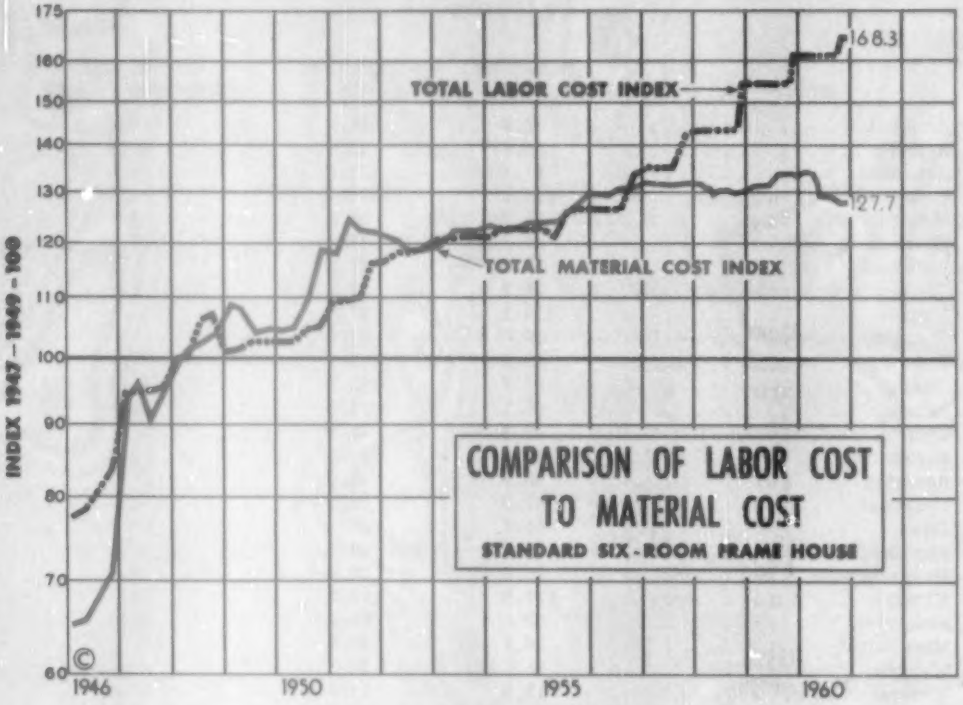


CONTRACT CONSTRUCTION EMPLOYMENT BY STATES
(In thousands)

State	September 1959	September 1960	Percent Change September 1959-60
Alabama	46.6	47.3	+1.5
Arizona	30.8	33.7	+9.4
Arkansas	21.2	22.9	+8.0
California	314.9	324.7	+3.1
Colorado	38.2	38.8	+1.6
Connecticut	46.6	47.9	+2.8
Delaware	13.0	12.5	-3.8
District of Columbia	24.2	22.6	-6.6
Florida	134.2	117.8	-12.2
Georgia	58.8	57.5	-2.2
Idaho	11.2	12.0	+7.1
Illinois	183.7	193.0	+5.1
Indiana	66.1	77.6	+17.4
Iowa	43.2	42.7	-1.2
Kansas	37.9	39.2	+3.4
Kentucky	38.9	35.9	-7.7
Louisiana	62.0	60.5	-2.4
Maine	16.6	16.4	-1.2
Maryland	69.7	69.6	-0.1
Massachusetts	90.6	90.6	0
Michigan	111.6	116.8	+4.7
Minnesota	66.0	69.0	+4.5
Mississippi	26.1	20.6	-21.0
Missouri	71.5	70.3	-1.7
Montana	12.9	13.0	+0.8
Nebraska	24.6	26.2	+6.5
Nevada	8.0	8.0	0
New Hampshire	10.5	10.6	+1.0
New Jersey	107.0	109.0	+1.9
New Mexico	22.1	20.9	-5.4
New York	296.3	297.4	+0.4
North Carolina	63.6	62.9	-1.1
North Dakota	15.2	11.1	-27.0
Ohio	167.3	166.3	-0.6
Oklahoma	36.2	35.2	-2.8
Oregon	29.8	29.9	+0.3
Pennsylvania	193.2	191.0	-1.1
Rhode Island	13.4	13.1	-2.2
South Carolina	34.1	40.7	+19.4
South Dakota	12.3	15.3	+24.4
Tennessee	51.3	51.8	+1.0
Texas	172.1	169.8	-1.3
Utah	18.1	17.9	-1.1
Vermont	7.5	7.2	-4.0
Virginia	74.6	77.1	+3.4
Washington	48.4	52.5	+8.5
West Virginia	21.3	21.6	+1.4
Wisconsin	61.7	63.8	+3.4
Wyoming	12.5	11.3	-9.6
TOTAL	3,137.6	3,163.5	+0.8



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The important point brought out by these charts is that construction activity has maintained its high level of 1959, despite a nationwide decline of 15 percent in money spent on new home construction. So far this year, the total value of new construction put in place in the United States has decreased only 2 percent. This is because the slack in home construction has been taken up by increases in other types of construction. Industrial building expenditures rose 37 percent this year over last year, and expenditures for the construction of social and recreational buildings have increased 23 percent in the same period.

These increases in expenditures may reflect increases in costs as well as increases in the actual volume and quality of construction. The fact that actual construction employment has been increasing should indicate that the increase in construction activity in dollars is not fictitious. The largest increase in construction costs has been for labor. The chart above shows that the labor costs in building the Wenzlick standard six-room frame house have increased 68 percent since 1947-49, while material costs have increased only 28 percent. In spite of this there has been a steady growth in construction employment.